

9 December 1970

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Subject: Contract [] (657)-12846, Follow-On EMR Program
Deletion of Spares Requirements, Proposal for

Reference: DCN #E67-147 for one (1) each
Sense Card Assembly, P/N 542065-1

Dear Burt:

As determined during the 30 September - 1 October 1970 Program Review Conference conducted at ASPO the referenced item will be acquired by ASPO under the FY 71 S & S Program - Procurement action has been initiated by ASPO under PR #AC03203300.

Under Exhibit "A" attached the writer has prepared background information on the two (2) Sense Card(s) authorized for procurement under the Follow-On EMR Program. From the attached summary it is evident that there has been some misunderstanding of the Contractor's performance with regard to this Spares procurement. The writer wishes to give assurance that only in delving into the background information, preparatory to compiling this correspondence, has the actual value of the undelivered unit been determined.

Please note that under Exhibits "B" and "C" attached the writer has requested and received ASPO verification, where possible, of the background information on each of the two (2) Spare Sense Card Assemblies.

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The writer is aware that [] has not met its commitment under Contract to deliver the required (2nd) Spare Parts item and recognizes that the Government is therefore routinely entitled to consideration under any agreement to delete the item as a Contractual requirement. Accordingly the writer proposes that the referenced item be deleted under Contract FH-7322 on the following basis:

Cost Reduction
Attendant Fee
Total Reduction.

[]

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Insofar as excuses for non-delivery of the 2nd Sense Card Assembly - This Contractor has none. The procurement was placed entirely in the hands of the original and only source, [] who had previously manufactured the unit for [] the supplier of the SCL Special Purpose Airborne Computer.

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25X1A As to the reasons why [] has been unable to deliver the item there are certain tangible factors. A significant elapsed time period occurred between manufacture of the 1st Spares Unit, which was accomplished during or at the close of the production cycle, and the fabrication of the second unit. During this time period definite personnel changes were experienced at [] This resultant inexperience factor, compounded by the State-of-the-Art advancement in electronic components have been the major contributors to [] problems - Both of which were beyond [] ability to lend reasonable assistance.

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25X1A In defense of [] and [] position it can be stated that the re-procurement problems being experienced have become quite common to the Program - Only perseverance, tempered with patience, on both the Prime and sub-contractor levels will assure adequate Weapons System Support in the future.

In summary the writer trusts that the proposal offered hereunder will be found to be fair and reasonable. It is submitted that Contractor representatives are available for further discussion of this correspondence or any other matters having a bearing on the contents hereof.

Regards,



Jim

JM:vg
Encl.

EXHIBIT "A"

Sense Card(s), P/N 542065-1, Authorized for Procurement
under the Follow-On EMR Program, Contract [] (657)-12846

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1st Unit - Spares List No. 4, Item #246 in the amount
of \$20,512.91.

- Authorized through 25-28 Jan. 1965 Provisioning Conference.
- \$20,512.91 Pricing submitted to Contracting Officer under Contractor's listing dated 30 March 1966 (Attachment 1).

- Unit acquired from [] who in turn
procured item from lower tier sub-contractor

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- Unit delivered to PSO on 2 August 1966 under the Contractor's Voucher No. 1181, Partial No. E80 (Attachment 2).

2nd Unit - Supplementary DCN No. E67-147 in the amount of
\$9,273.

- Initially discussed with SPO and PSO representatives during 14-21 November 1967 Provisioning Conference.
- Procurement subsequently approved by PSO (estimated Dec. '67) under DCN #E67-147. (Attachment 3)
- \$9,273 pricing submitted to Contracting Officer under Contractor's listing dated 1 June 1968 (Attachment 4).

- Unit let for procurement directly to manufacturer, [] under AI P.O. #4740.

- Unit not delivered to-date due to various technical and procurement problems experienced by []

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ATT # 4

DATE 06-01-68

DCN LIST BY LIST NO.

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LIST	DCN	SEN NO.	SCN	PRICE
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004	E66-0735	023400		N/C
004	E66-0736	024600		N/C
004	E66-0737	025800		N/C
004	E66-0738	012401		N/C
004	E66-0745	00540A	0668	N/C
004	E66-0745	005401	0668	555
004	E67-0137	000600		N/C
004	E67-0138	001600		5787
004	E67-0139	003200		5787
004	E67-0140	008300		5787
004	E67-0140	008200		N/C
004	E67-0141	009700		N/C
004	E67-0142	011100		N/C
004	E67-0143	012800		N/C
004	E67-0144	014700		N/C
004	E67-0145	016100		N/C
004	E67-0146	023400		9507
004	E67-0147	024600		9273
004	E67-0394	025191		N/C
004	E67-0413	023301		N/C
004	E68-0001	010200		N/C
004	E68-0002	011800		N/C
004	E68-0003	010300		N/C
004	E68-0004	008900		N/C
004	E68-0005	009300		N/C
004	E68-0006	009400		N/C
004	E68-0007	008500		N/C
004	E68-0008	008600		N/C
004	E68-0009	008700		N/C
004	E68-0010	008800		N/C
004	E68-0011	009000		N/C
004	E68-0012	009100		N/C
004	E68-0013	009200		N/C
004	E68-0014	010900		N/C
004	E68-0015	007801		N/C
004	E68-0017	008300		N/C
004	E68-0018	009700		N/C
004	E68-0019	011100		N/C
004	E68-0020	012800		N/C
004	E68-0021	014700		N/C
004	E68-0022	016100		N/C
004	PR-66-1	005600	0419	51
004	PR-66-1	014000	0419	841
004	PR-66-1	012600	0419	531
004	PR-66-1	014200	0419	739
004	PR-66-1	004200	0419	6
004	PR-66-1	005900	0419	7
004	PR-66-1	001000	0419	1046
004				113788

25X1A TO F. [REDACTED]

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AS DISCUSSED DURING TELECON OF 8 DECEMBER THE WRITER IS PREPARING A PROPOSAL FOR [REDACTED] AS A PRELUDE TO ACCOMPLISHING ADMINISTRATIVE CLOSE-OUT OF THE FOLLOW-ON EMR PROGRAM. PLS REVIEW THE BELOW FACTS FOR ACCURACY AND ADVISE THE WRITER OF YOUR COMMENTS.

A PROMPT REPLY WILL BE APPRECIATED.

SUBJECT: SENSE CARD(S), P/N 542065-1, AUTHORIZED FOR PROCUREMENT UNDER THE FOLLOW-ON EMR PROGRAM.

1ST UNIT --- SPARES LIST NO. 4, ITEM #246 IN THE AMOUNT OF \$20,512.91

- AUTHORIZED THROUGH 25-28 JAN. 1965 PROVISIONING CONFERENCE.
- \$20,512.91 PRICING SUBMITTED TO CONTRACTING OFFICER UNDER CONTRACTOR'S LISTING DATED 30 MARCH 1966.
- UNIT ACQUIRED FROM [REDACTED] WHO IN TURN PROCURED ITEM FROM LOWER TIER SUB-CONTRACTOR [REDACTED]
- UNIT DELIVERED TO PSO ON 2 AUG. 1966 UNDER THE CONTRACTOR'S VOU. NO. 1181, PARTIAL NO. E80.

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2ND UNIT --- SUPPLEMENTARY DCN NO. E67-147 IN THE AMOUNT OF \$9,273.

- INITIALLY DISCUSSED WITH SPO & PSO REPRESENTATIVES DURING 14-21 NOVEMBER 1967 PROVISIONING CONFERENCE.
- PROCUREMENT SUBSEQUENTLY APPROVED BY PSO (ESTIMATED DEC. '67) UNDER DCN #E67-147.
- \$9,273 PRICING SUBMITTED TO CONTRACTING OFFICER UNDER CONTRACTOR'S LISTING DATED 1 JUNE 1968.
- UNIT LET FOR PROCUREMENT DIRECTLY TO MANUFACTURER [REDACTED] UNDER SC11 P.O. #4740.
- UNIT NOT DELIVERED TO-DATE DUE TO VARIOUS TECHNICAL & PROCUREMENT PROBLEMS EXPERIENCED BY [REDACTED]

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END

EXHIBIT "C"

SRA 89603920

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SC1/SC11 17/14/1435 DEC 70

TO
PRI

REF UR MSG 1093 /9DEC 70

TO THE BEST OF MY KNOWLEDGE THE FACTS SUBMITTED IN UR REF
MSG ARE ACCURATE IN REGARDS TO PN 542065-1 SENSE CARD

END B